

MEMORANDUM

Outside the System

NATIONAL SECURITY COUNCIL

ACTION

August 5, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: Richard Ober *fo*

SUBJECT: Talker for Lunch with PFIAB
Thursday, August 7, 1975

You are scheduled to host a lunch for the President's Foreign Intelligence Advisory Board ~~from 12:30 until 1:45 p.m.~~ ^{at 1:30} on Thursday, August 7, 1975, at the State Department. This lunch was originally suggested by the Board to provide you an opportunity to meet with it prior to its meeting with the President proposed for August 8, 1975. *(now scheduled)*
~~The proposed meeting with the President was not scheduled. (See memorandum to Warren Rustand at Tab A.)~~

It is suggested that, at this lunch meeting, you give the Board a status report on its proposal to the President on communications security and that you also brief the Board members on the President's European trip.

BACKGROUND:

- At your June 5, 1975, lunch with PFIAB you suggested that the Board forward to the President its views on strategic estimates and on the Soviet intercept problem. In response to your suggestion, Admiral Anderson forwarded letters to the President on these subjects and requested a meeting with the President on August 8, 1975 to brief him on the Board's views on strategic threat assessment. Your memoranda to the President forwarding Admiral Anderson's letters are at Tabs B and C.

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Classified by Henry A. Kissinger

-2-

- **Communications Security:**
 - Since the Board's letter to the President, Dr. Baker has been pressing for accelerated action; he will undoubtedly wish to discuss his concerns on this problem with you at the lunch. David Elliott has prepared a current status report on actions taken, or underway, to solve the technical aspects of this problem. This report, and copies of earlier action memoranda, are at Tab D.
 - Admiral Anderson's letter to the President also suggested a program to assess the intelligence losses to the Soviets resulting from communications insecurities. A highly-sensitive current NSA report on this subject and a staff recommendation for consultation with Philip Buchen are with General Scowcroft.
 - The Soviet intercept problem has received considerable publicity since its disclosure in the Rockefeller Commission Report (excerpt at Tab E and press item at Tab F).
- The Rockefeller and Murphy Commission Reports were both issued in June 1975. Proposals for implementing the recommendations concerning the Intelligence Community in both reports are currently being staffed for the President's consideration. Both reports recommend an expanded and strengthened role for PFIAB. These specific recommendations are described at Tab G.
- The Board is unaware that the President is considering replacing the Chairman and making changes in its membership.
- All Board members, except Clare Boothe Luce, are expected to attend the lunch. A list of current Board members is at Tab H.

TOP SECRET/SENSITIVE/XGDS

-3-

TALKING POINTS:

● **Communications Security**

It is recommended that you make the following points in discussing the Board's letter to the President on communications security:

- the Board's proposals have been reviewed by the President,
- an NSC Advisory Panel has been established with technical consultants and participation by NSA, OTP and DoD,
- funds are being made available for R & D on technical systems,
- the delicate question of more detailed assessment of intelligence losses is under study.

(FYI: We have urged Dr. Baker not to pursue the proposal to make NSA the executive agent for implementing this program; having the President give direct responsibility to a subordinate organization in DoD would obviously create problems.)

● **Rockefeller and Murphy Commission Reports**

It is recommended that you inform the Board that the recommendations of both Commissions concerning intelligence matters are in the final stages of White House Staff review prior to presentation to the President.

● **The President's European Trip**

25X1

It is recommended that you brief PFIAB with particular reference to new developments on:

- the future of U.S. intelligence facilities
- prospects for an agreement on Cyprus, and
- progress on SALT and MBFR.

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-4-

Attachments:

- Tab A: Memorandum to Warren Rustand Concerning
Proposed Presidential Meeting with PFIAB (4422)
- Tab B: Memorandum for the President Concerning PFIAB
Letter on Estimates of the Soviet Strategic Threat (4256X)
- Tab C: Memorandum for the President on PFIAB Proposals
Concerning Communications Security (4257X)
- Tab D: Status Report on Soviet Interception of U.S. Telephone
Communications and Staff Memoranda of 3 and 18 July 1975
(4257X)
- Tab E: Excerpt from Rockefeller Commission Report Concerning
"Foreign Invasion of United States Privacy"
- Tab F: Washington Star Article, June 8, 1975
- Tab G: Rockefeller and Murphy Commission Recommendations
Concerning PFIAB
- Tab H: Current Membership of PFIAB

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STATUS REPORT ON SOVIET INTERCEPTION OF U.S.
TELEPHONE COMMUNICATIONS

Background

NSA has been keeping PFIAB (particularly Bill Baker) fully informed about the extent of the Soviet telephone intercept problem and our remedial plans and actions. (It also seems that NSA has been bringing its complaints to Baker about lack of sufficient authority and funds.)

The following actions have been taken:

- In response to NSDM 266, certain sensitive government telecommunications circuits have been switched from microwave to cable in the Washington area, and the remainder will be switched by the end of the year. (4,800 circuits to be switched and 4,000 others now on cable to be tagged so that they are not inadvertently later shifted to microwave.)
- In order to avoid public disclosure of the intercept problem (before the Rockefeller Commission Report gratuitously exposed it), GSA completed an earlier initiated acquisition of some new microwave circuits from Washington to New York, but will leave this capacity underused.
- A study on longer term solutions, including dealing with other parts of the U.S. also under intercept surveillance, was prepared by DoD/NSA and submitted in January--leading to NSDM 296. The key proposals were:
 - .. For the long term, the DoD recommends establishment of Protected Communications Zone (PCZs) which would envelop all Soviet/Bloc installations of concern in major cities and within which all communications would be confined to cable or encrypted microwave. The concept would minimize opportunities for intercept of both government and major private firm communications. While not of concern individually, bulk communications by major defense, financial, and legal firms, for example, could reveal information damaging to US national security if collected and analyzed in the aggregate. The concept would initially be implemented in Washington, but eventually could be applied in other cities of concern, e.g., New York, Chicago, San Francisco, etc.

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TOP SECRET/SENSITIVE

- 2 -

- .. Also proposed is an Executive Secure Voice Network (ESVN) program involving accelerated development and acquisition of several hundred secure voice terminals which are operable over standard telephone lines. By avoiding high circuit leasing costs and installation delays associated with current secure equipment, ESVN would permit rapid installation and relocation of secure terminals so that high level government officials (and key private consultants) could be readily equipped with secure communications at any location.
- The R & D on the technology to support the above proposal is underway, and the implementation plan is being refined and costed out. The plan is scheduled to be submitted to the President in October. Brent has been leaning on DoD to accelerate the transfer of funds to NSA so that the work can quickly proceed.
- A small interagency oversight committee is being established in the NSC to monitor the work on this problem and to be a coordinating mechanism. NSA, DoD, and OTP will be represented, and two or three of our technical consultants will participate. (Some of them are meeting today-- August 7).

The proposed approach to this problem is reasonable and commensurate with the threat. As you requested, we have discussed the plans and actions with Bill Baker to be sure that he is in basic agreement-- although we are somewhat limited in obtaining his approval in detail by his AT&T affiliation (and possible conflict of interest).

PFIAB's Concerns

In June, Baker received an updated NSA briefing which considerably increased his concern that the intercept problem is potentially more severe and widespread than previously realized. Also, believes DoD is hampering NSA's attack on the problem by bureaucratic and funding restrictions. As a result, PFIAB wrote to the President recommending that (1) a White House oversight committee be formed, (2) NSA (rather than the DoD) be given the direct responsibility to tackle the problem, and (3) some \$8 million be immediately made available to NSA from DDR&E.

TOP SECRET/SENSITIVE

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- 3 -

We have acted on (1) by establishing an NSC advisory committee, have made progress (but have not yet been fully successful) regarding (3), and have urged Baker to defer pressing on (2) until there is a chance to see if the other steps can solve NSA's problem. (Having the President give direct responsibility to a subordinate organization in DoD has obvious problems connected with it.)

We are not sure if Baker is now satisfied (or mollified) or how he will express himself at your lunch with PFIAB. The best approach with him is to share his concerns regarding the problem, to note the progress that has been made toward a solution, to indicate that the Board's June proposals were reviewed by the President and certain responses initiated, and to continue to value his and the Board's advice.

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NATIONAL SECURITY COUNCIL

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July 18, 1975

ETS-HK1517C

MEMORANDUM FOR: GENERAL SCOWCROFT
FROM: DAVID ELLIOTT
RICHARD OBER
SUBJECT: Follow-up Actions Regarding
Secure Telephone Communications

We suggested in our earlier memorandum (Tab A) that there were certain actions you might take that should satisfy many of PFIAB's concerns regarding the telephone security problem, as stated in their letter to the President (Tab B). Reviewing our recommendations, we propose the following actions:

1. The most urgent matter is getting DOD to transfer \$8 million to NSA to begin the development work on certain technical systems required under NSDM 296. We recommend that you call Wickham again and request that Curry release the money without conditions attached to it. We have found that DOD still seems to be playing games. They are proposing that NSA proceed to spend on the assumption that DOD will transfer \$8 million from its FY 76 budget. But they are also saying that if their R&D budget is cut by Congress, DOD may have to re-evaluate whether it can, in fact, make all of the funds available.
2. We continue to think it advisable to establish an NSC advisory panel, using NSC consultants (possibly supplemented by one or two new consultants relevant to this problem) and including NSA, OTP and DOD as members, to provide a focal point in addressing the telephone security problem. The panel would be a forum for exchange of information and views, and the airing of differences. NSA could get its future concerns on the table and hopefully resolved.

As you see from PFIAB's letter, they want the President to bypass DOD and vest NSA with special authority to deal with the security problem. This still seems like a bad idea to us and we hope to pull the teeth on this idea by giving NSA a direct position in our advisory process.

3. We do, as before, think that the PFIAB idea of instituting a comprehensive program to assess the intelligence losses resulting from communications insecurities is a difficult proposal to implement. It

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would put NSA in a position of listening to telephone conversations within the US in order to ascertain what the Soviets are hearing. Before approving such a surveillance and evaluation program, we propose that you meet with General Allen, Philip Buchen and possibly the Attorney General to consider the ramification of such action.

4. PFIAB also recommended that plans be developed to maintain a sense of communications discipline within the Government in order to reduce Soviet intelligence gains. As you know, maintaining vigilance on a long run is difficult, but we can look at the question. There may be some measures that are practicable and have some promise of success.

In summary, we believe there are several actions that can be taken to address the concerns and recommendations of PFIAB, and that they can be implemented by you without further recourse to the President; although, the ultimate decision to institute a program to evaluate what the Soviets are learning from their intercept will require Presidential approval.

RECOMMENDATIONS:

1. That you call Wickham and request that DDR&E transfer to NSA the \$8 million being sought without any qualifications or strings.
2. That you approve the establishment of an NSC advisory panel, using our technical consultants (possibly augmented by one or two new consultants) and with participation by NSA, OTP and DOD, to provide a focal point in addressing the telephone security problem.

APPROVE _____

DISAPPROVE _____

3. That if you feel the intelligence evaluation recommended by PFIAB should be considered, that you meet with Philip Buchen and General Allen to discuss the question.

APPROVE _____

DISAPPROVE _____

Arrange such a meeting _____

I want to know, in detail what happens to the NSA take right now.

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MEMORANDUM

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NATIONAL SECURITY COUNCIL

LTS-HK15774

TOP SECRET/SENSITIVEJuly
June 3, 1975

MEMORANDUM FOR:

GENERAL SCOWCROFT

FROM:

DAVID ELLIOTT D. E. ...
RICHARD OBER (w)

SUBJECT:

PFIAB's Letter to the President
Regarding Secure Telephone Communication

Admiral Anderson has communicated PFIAB's view to the President regarding the implementation of NSDM 296 -- secure U.S. telephone communications against Soviet interception -- and you forwarded the letter to the President (Tab A). PFIAB recommended that NSA be given independent authority to attack this problem, that a small industry/government oversight committee formed in the White House, and that an assessment be made of what the Soviets are learning from their intercepts and the implication of their choice of targets.

We have explored the nature of the concern behind PFIAB's letter and believe it relates, by and large, to an NSA view that (1) the problem is greater than first thought and (2) the funding of the counter measures directed by the NSDM is being held up by DOD nit-picking.

Bill Baker asks urgently that, through Wickham, you request Mal Curry to release \$8M without delay to NSA for development work, and that DOD not make further funding a battle.

As far as having the President bypass DOD and vest NSA with special authority, this seems questionable and irregular. This proposal is best overlooked, at least for the time being.

The idea of an oversight committee has merit and we have informally contacted Ed David who has agreed to chair a small group for the NSC.

Regarding the idea of assessing the implication of what the Soviets are learning, such an effort has been proceeding cautiously in NSA with periodic reporting to you. You are well aware of the dilemma we face in developing a comprehensive program to evaluate in detail the subject matter being obtained by the Soviets on American individuals and organizations, both public and private. Recent publicity and the Senate Select Committee investigation are added complications.

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Before any formal program is undertaken, we recommend that we consult with General Allen and Philip Buchen to prepare recommendations for the President's consideration.

RECOMMENDATIONS:

1. That you call Wickham and ask that Curry release \$8M to NSA for their work on telephone security.
2. That we arrange a meeting with General Allen, Phil Buchen, and you to discuss the proposal for assessing intelligence losses.

Approve and I will call Wickham

Disapprove, see me

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**Report to the President by the
Commission on CIA Activities
Within the United States**

Excerpt from Chapter 2. "The Need for Intelligence"

Foreign Invasions of United States Privacy

This Commission is devoted to analyzing the domestic activities of the CIA in the interest of protecting the privacy and security rights of American citizens. But we cannot ignore the invasion of the privacy and security rights of Americans by foreign countries or their agents. This is the other side of the coin—and it merits attention here in the interest of perspective.

Witnesses with responsibilities for counterintelligence have told the Commission that the United States remains the principal intelligence target of the communist bloc.

The communists invest large sums of money, personnel and sophisticated technology in collecting information—within the United States—on our military capabilities, our weapons systems, our defense structure and our social divisions. The communists seek to penetrate our intelligence services, to compromise our law enforcement agencies and to recruit as their agents United States citizens holding sensitive government and industry jobs. In addition, it is a common practice in communist bloc countries to inspect and open mail coming from or going to the United States.

In an open society such as ours, the intelligence opportunities for our adversaries are immeasurably greater than they are for us in their closed societies. Our society must remain an open one, with our traditional freedoms unimpaired. But when the intelligence activities of other countries are flourishing in the free environment we afford them, it is all the more essential that the foreign intelligence activities of the CIA and our other intelligence agencies, as well as the domestic counterintelligence activities of the FBI, be given the support necessary to protect our national security and to shield the privacy and rights of American citizens from foreign intrusion.

The Commission has received estimates that communist bloc intelligence forces currently number well over 500,000 worldwide.

The number of communist government officials in the United States has tripled since 1960, and is still increasing. Nearly 2,000 of them are now in this country—and a significant percentage of them have been identified as members of intelligence or security agencies. Conservative estimates for the number of unidentified intelligence officers among the remaining officials raise the level to over 40 percent.

In addition to sending increasing numbers of their citizens to this country openly, many of whom have been trained in espionage, communist bloc countries also place considerable emphasis on the training, provision of false identification and dispatching of "illegal" agents—that is, operatives for whom an alias identity has been systematically developed which enables them to live in the United States as American citizens or resident aliens without our knowledge of their true origins.

While making large-scale use of human intelligence sources, the communist countries also appear to have developed electronic collection of intelligence to an extraordinary degree of technology and sophistication for use in the United States and elsewhere throughout the world, and we believe that these countries can monitor and record thousands of private telephone conversations. Americans have a right to be uneasy if not seriously disturbed at the real possibility that their personal and business activities which they discuss freely over the telephone could be recorded and analyzed by agents of foreign powers.

This raises the real specter that selected American users of telephones are potentially subject to blackmail that can seriously affect their actions, or even lead in some cases to recruitment as espionage agents.

Soviets Listen in on U.S. Long Distance Calls

By James Deakin
Special to the Washington Star

With space satellites or antennae on top of the Soviet Embassy here, Russian technicians are believed to be monitoring thousands of long-distance telephone calls in the United States each year.

U.S. intelligence agencies are believed to be doing the same thing in Russia, especially in the field of military communications. But U.S. ability to listen in on Russian telephone

James Deakin is a correspondent of the St. Louis Post-Dispatch

traffic may be limited by the fact that the Soviet telephone system is less sophisticated.

In addition, a former State Department official charges that the National Security Agency is monitoring the overseas telephone calls and cables of many American citizens.

THESE AND other aspects of U.S.-Soviet telephone surveillance were described this week after the Rockefeller Commission lifted the lid slightly on the secret world of electronic espionage in its report on the CIA.

The Senate committee headed by Sen. Frank Church, D-Idaho, plans to question officials of the CIA and the FBI about the Soviet monitoring, it was learned.

In its report on the CIA, the commission headed by Vice President Nelson A. Rockefeller stated that "Communist countries...appear to have developed electronic collection of intelligence to an extraordinary degree of technology and sophistication for use in the United States and elsewhere throughout the world..."

The commission said it believed that "these countries can monitor and record thousands of private telephone conversations."

Government sources said that these statements in the Rockefeller report referred to monitoring of long-distance telephone calls transmitted within the United States by so-called microwave relays.

ALTHOUGH THE report referred to "Communist countries," in the plural, government sources made it clear that Russia was believed to be the only Communist nation with the ability to monitor such calls within the United States.

"Only a highly industrialized, computerized nation can do this," the sources said. They drew attention to what they said was a "concerted effort" by Russia to purchase American computer technology "and an equally concerted effort by the U.S. to prevent them from buying it."

As described by government officials, the monitoring of long-distance calls consists of picking up the calls as they are transmitted between microwave stations. In the United States, these stations are about 20 to 25 miles apart.

About 70 percent of the long-distance calls in the United States are transmitted by microwave relays, a spokesman for the American Telephone and Telegraph Co. said. The remainder are transmitted by underground cables or old-fashioned telephone wires on poles.

TO PICK UP calls between microwave stations, the intercepting antenna must be in the "line of sight" between the stations, government sources said. Microwave signals can be transmitted only in a "line of sight," meaning that there are no obstructions such as hills or tall buildings in the way.

Government sources said Russian agents could intercept long-distance cable calls with a high antenna on the roof of the Soviet embassy here. Computers then would separate out the bundles of calls in each microwave relay.

"Why do you think the Russians are so anxious to build their new embassy on the Mt. Alto site?" a government source said. "It is a much higher elevation than the site of the present embassy and would give them a much better line of sight for intercepting microwave relays."

The Soviet government has been negotiating for several years to build a new embassy on the site of the old Mt. Alto Veteran Hospital on Wisconsin Avenue. This is one of the highest elevations in the District.

THE ROOF of the present Soviet Embassy, on 16th Street, is festooned with aerials. This has led U.S. intelligence agencies to conclude that the embassy has the ability to monitor many types of communications within this country. John D. Marks, a former State Department intelligence officer, said.

Marks, however, believes that a high antenna on the roof of the Soviet embassy would have only a limited capacity to intercept microwave-relayed long distance calls and that Russia more likely is using one or more fixed space satellites to do most of its monitoring.

"If you just visualize the line of sight from one microwave tower to another at some point it goes into outer space," Marks said. "You just put your satellite there, in a fixed position and pick up the relays."

BECAUSE MOST local telephone calls within a city or a metropolitan area are transmitted by underground cables or telephone wires on poles, it is believed that most of the Russian monitoring involves long distance calls.

The Russian civilian telephone system does not use microwave relays to the extent that the U.S. system does, government source said. As a result, they said the U.S. intelligence agencies

cles may not be able to intercept Russian long-distance calls to the same extent.

"But I can give you a categorical assurance that we are reading Soviet microwave communications, especially military communications," Marks said. "But we are not necessarily doing this from the U.S. Embassy in Moscow.

Not only is the United States doing the same thing with Russian microwave relays, but "I have personal knowledge from my own State Department career that the National Security Agency has been monitoring overseas telephone calls and cables by American citizens," Marks said.

MARKS DREW attention to a paragraph in the Rockefeller Commission report that said that the CIA had "received materials from an international communications activity of another agency of the government," as part of "Operation Chaos."

Operation Chaos was a secret CIA investigative and surveillance program that tried unsuccessfully to prove that anti-war and civil rights groups in the United States were being directed and financed by foreign elements.

The Rockefeller report said that the CIA, as part of Operation Chaos, "furnished a watch list of names to the other agency and received a total of approximately 1,100 pages of materials..."

Marks identified the other agency as the NSA. The material apparently consisted of transcripts of overseas telephone calls, cables and other communications by U.S. citizens.

"The materials concerned for the most part anti-war activities, travel to international peace conferences and movements of members of various dissident groups," the Rockefeller report said.

ALTHOUGH THE report said that the furnishing of material to the CIA stopped when Operation Chaos was terminated in March 1974, Marks pointed out that the report did not say that the surveillance of overseas communications by the NSA had stopped.

Government sources said that the section of the Rockefeller report dealing with Soviet monitoring of calls in the United States was written by Rockefeller himself. They said the vice president wanted the material included in the report, apparently as a justification for similar CIA activities.

"There was some intense feeling within the commission that it (the material on Russian monitoring) had no place in the report, because it was felt that the commission's mandate was to look into the CIA and not into the KGB (the Soviet Intelligence Agency)," the sources said.

They said Rockefeller's view prevailed, although the section was shortened because of opposition from other members or staff personnel of the commission.

Rockefeller and Murphy Commission Recommendations Concerning PFIAB

A strengthened PFIAB is recommended by both the Rockefeller and Murphy Commission Reports. Their specific recommendations, along with summaries of the Executive department and agency responses, are attached. The degree of change in, and the final responsibilities of PFIAB are envisioned somewhat differently by the two Commissions. The Rockefeller Commission Report, dated June 6, 1975, recommends the expansion of PFIAB's functions to include oversight of CIA with specific responsibility for monitoring CIA's compliance with statutory authority, assessing the quality of CIA's management, organization and foreign intelligence activities, and making recommendations as a result of such oversight to the President and the DCI and, where appropriate, to the Attorney General. This recommendation would also authorize PFIAB to audit and investigate CIA expenditures and activities at its own initiative. The Rockefeller Commission suggests that the Board be headed by a full-time Chairman and have a full-time staff appropriate in size to its increased role. The DCI concurs with this recommendation. Treasury agrees in principal, but is against an increase in staff size. State and Defense do not agree with expanding PFIAB's role to the degree recommended.

The Murphy Commission Report, dated June 27, 1975, sees PFIAB in two roles: the principal source of advice on intelligence to the President independent of the DCI, and the external and independent oversight body for the foreign intelligence community. In citing the latter role, the report notes favorably the recommendations of the Rockefeller Commission Report. The specific Murphy Commission recommendation is more bland, calling for each President to review and make necessary changes in PFIAB's membership and to make himself directly available to the PFIAB Chairman. The recommendation also suggests that the PFIAB staff be increased in size and its members drawn, in part, from outside the Intelligence Community. The DCI and Defense concur with the specific points listed in the recommendation, while Treasury feels that the creation of a large staff should be avoided.

Attachments

Rockefeller Commission

RECOMMENDATION (5)

a. The functions of the President's Foreign Intelligence Advisory Board should be expanded to include oversight of the CIA. This expanded oversight board should be composed of distinguished citizens with varying backgrounds and experience. It should be headed by a full-time chairman and should have a full-time staff appropriate to its role. Its functions related to the CIA should include:

1. Assessing compliance by the CIA with its statutory authority.
2. Assessing the quality of foreign intelligence collection.
3. Assessing the quality of foreign intelligence activities.
4. Assessing the quality of the organization of the CIA.
5. Assessing the quality of the management of the CIA.
6. Making recommendations with respect to the above subjects to the President and the Director of Central Intelligence, and, where appropriate, the Attorney General.

b. The Board should have access to all information in the CIA. It should be authorized to audit and investigate CIA expenditures and activities on its own initiative.

c. The Inspector General of the CIA should be authorized to report directly to the Board, after having notified the Director of Central Intelligence, in cases he deems appropriate.

RESPONSE

The DCI concurs with this recommendation.

State wonders whether a part-time board, even with a full-time staff, is capable of fulfilling all the recommended tasks listed in the Report. The Board would inevitably become a large bureaucracy and, to some degree, a substitute for the NSC Staff. Moreover, the Report leaves unclear whether it will monitor activities currently performed by the 40 Committee of the NSCIC. In addition, there is a risk the PFIAB would become an intermediary between the CIA Director and President. There should be a more precise definition of the Board's responsibilities and functions, lest the new function of oversight with respect to domestic activities be subsumed in a variety of other tasks.

Defense notes this recommendation would place the PFIAB in direct competition with the statutory members of the NSC, OMB and Congressional oversight committees. The members of the NSC are in the best

position to assess the quality of the intelligence collected and produced by the CIA. The PFIAB should retain flexibility in its charter so that it can be used by the President for ad hoc projects and oversight functions. The President currently has sufficient authority to utilize the Board in a broader oversight fashion if he so chooses.

Treasury concurs in the recommendation noting that an Advisory Board consisting of distinguished citizens could help reassure the President, public and Congress of the integrity and quality of our intelligence operations. Secretary Simon recommends that George Shultz be appointed Chairman of the Advisory Board. Because of its additional responsibilities the Board would have to meet more frequently than it has in the past. The reporting relation between the Inspector General and the Board should be strengthened and formalized and an important working relationship should be developed between the FIAB and the CIA General Counsel. The Board would continue to draw on the views of other departments and agencies concerned with intelligence activities. The Board would also have access to reports and recommendations made by the Joint Congressional Committee. Thus, it would be unnecessarily duplicative to build up a large staff to perform investigatory functions although a small permanent staff or secretariat definitely would be essential.

No comment from Justice.

Murphy Commission

RECOMMENDATION (48)

In order to best utilize the PFIAB:

- each incoming President should review and make such changes in PFIAB's membership as may be required to give him high personal confidence in that body's values and judgement; that
- he make himself directly available to the Chairman of PFIAB upon the latter's request; and that
- the PFIAB staff should be increased in size, and drawn in part from sources outside the intelligence community.

RESPONSE

The DCI and Defense concur with this recommendation.

Treasury, while generally favoring this recommendation, feels that the creation of a large staff should be avoided.

No comments from State and Justice.

THE WHITE HOUSE
WASHINGTON

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

ANDERSON, GEORGE W., JR. -- Appointed by President Nixon on May 1, 1970 to replace General Maxwell Taylor as PFIAB Chairman; former Chief of Naval Operations; former U. S. Ambassador to Portugal; presently director of several large corporations.

BAKER, WILLIAM O. -- Originally appointed to the Board by President Eisenhower and reappointed by each succeeding President; currently President, Bell Telephone Laboratories, Incorporated; member of the National Academy of Sciences and numerous other governmental and quasi-governmental boards and commissions.

CHERNE, LEO -- Noted Economist; presently Executive Director of the Research Institute of America, Incorporated; member of the United States Advisory Commission on International Educational and Cultural Affairs; member of the Board of Advisors of the Industrial College of the Armed Forces, and numerous other boards and commissions.

FOSTER, JOHN S., JR. -- Physicist; presently Vice President for Energy Research and Development, TRW, Incorporated; former Director of Defense Research and Engineering, Department of Defense; and former Director of Lawrence Livermore Laboratory and Associate Director of Berkeley Laboratory.

GALVIN, ROBERT W. -- Chairman and Chief Executive Officer of Motorola, Incorporated; Director of Harris Trust and Savings Bank; Director and past President of the Electronic Industries Association; and former member of the President's Commission on International Trade and Investment.

- 2 -

GRAY, GORDON -- Publisher; Director of R. J. Reynolds Tobacco Company and several other large corporations; former Secretary of the Army, Special Assistant to the President (Eisenhower) for National Security Affairs, Assistant Secretary of Defense (International Security Affairs), Director of the Office of Defense Mobilization; former Chancellor and President of the University of North Carolina.

LAND, EDWIN H. -- Inventor of the Land Polaroid camera; presently Board Chairman and President of Polaroid Corporation; member of the National Academy of Sciences and numerous other similar groups.

LUCE, CLARE BOOTHE -- Novelist and Playwright; former U. S. Ambassador to Italy, and Congresswoman from Connecticut; presently member of the White House Preservation Committee, the Academy of Political Science, the American Institute for Foreign Trade, and numerous other boards and commissions.

SHULTZ, GEORGE P. -- Former Secretary of the Treasury and Assistant to the President (1972-74), Director of the Office of Management and Budget (1970-72), and Secretary of Labor (1969-70); economist; educator; member American Economic Association, National Academy of Arbitrators, Industrial Relations Research Association; presently Executive Vice President of Bechtel Corporation.

TELLER, EDWARD -- Physicist who played a major role in the development of the first atomic bomb, and has made important contributions in the fields of chemical physics, molecular physics, nuclear physics and quantum theory. He has been associated with the University of California since 1952, where he currently holds the position of University Professor of Physics and Associate Director of Lawrence Livermore Laboratory.

BYERS, WHEATON B. -- Executive Secretary of the Board.